

# CONTENTS

<i>Foreword by Tan Chin Tiong, Director, ISEAS</i>	ix
<i>Preface</i>	xi
<i>Acknowledgements</i>	xiii
<i>The Contributors</i>	xv
1. The Economy of Malaysia: Present, Problems, Prospects <i>Sanchita Basu Das and Lee Poh Onn</i>	1
2. Malaysia's Economic Development and Transformation: Looking Back, Looking Forward <i>Jomo Kwame Sundaram</i>	27

## I ECONOMIC ISSUES

3. Malaysia's Route to Middle Income Status <i>Rajah Rasiah</i>	57
4. Harnessing Services for Development in Malaysia <i>Tham Siew Yean and Loke Wai Heng</i>	93
Commentary 1: Malaysian Success Story: The Development of Low Cost Carriers, Focusing on Air Asia <i>Tham Siew Yean</i>	114

5. Productivity Led Growth	118
<i>Cassey Lee</i>	
6. Malaysia's Investment Malaise: What Happened and Can It be Fixed?	134
<i>Jayant Menon</i>	
7. Infrastructure in Malaysia: Investment, Growth and Policy Challenges	161
<i>G. Naidu</i>	
8. Financial Reforms in Malaysia	192
<i>G. Sivalingam</i>	
9. ICT in Malaysia's Growth Agenda	211
<i>Sharbanom Abu Bakar</i>	
10. Malaysia's Participation in the ASEAN Economic Community	227
<i>Rokiah Alavi</i>	
Commentary 2: Political Economy and Foreign Policy	256
<i>Johan Saravananamuttu</i>	
 <b>II POLITICS, DECENTRALIZATION AND ENVIRONMENT</b>	
11. Prisons to Mind in Malaysia's Nation Building	263
<i>Ooi Kee Beng</i>	
Commentry 3: "New Politics" in Malaysia: Towards Transformative Development?	273
<i>Bridget Welsh</i>	
12. Malaysia's Federal System: Stifling Local Initiative?	278
<i>Francis E. Hutchinson</i>	
Commentary 4: Fifteen Consecutive Years of Budget Deficits, and Counting ...	308
<i>Teh Chi-Chang</i>	



13. The Environment 313  
*Wee Chong Hui*

### III SOCIAL ISSUES

14. Malaysia's Education, Off Course: Heady Growth, Systemic Woes, Small Fixes 337  
*Hwok-Aun Lee*

15. Growth and Change in Financing Malaysian Higher Education 354  
*Lee Hock Guan*

16. Income Inequality: A Drag on being a Developed Nation? 371  
*Ragayah Haji Mat Zin*

- Commentary 5: Transforming the Orang Asli Development Policy 391  
*Rusaslina Idrus*

17. Migrant Workers in Malaysia: A Much Needed Labour Source 396  
*Theresa W. Devasahayam*

- Commentary 6: Malaysian Women's Labour Force Participation 411  
*Sri Ranjini Mei Hua and Theresa W. Devasahayam*

18. Growth and Liveability: The Case of Greater Kuala Lumpur, Malaysia 418  
*Tan Teck Hong and Phang Siew Nooi*

- Index* 437